



## ZESPRI GROUP LIMITED

### Board Charter

## 1 PURPOSE

- 1.1 This Charter sets out roles, responsibilities, structure and processes of the Board of Directors of Zespri Group Limited (Zespri).

## 2 ROLES AND RESPONSIBILITIES

- 2.1 The role of the Board is to govern Zespri Group Limited, to enable it to pursue its mission to create sustainable long-term value for kiwifruit growers, in the best interests of Zespri and having due regard for shareholders, stakeholders, regulators, employees and suppliers.
- 2.2 The Board's roles and responsibilities include prudent management of the company and policies, including without limitation:
- (a) Providing strategic direction, ensuring that Zespri's goals and objectives are clearly established, and approving strategies, business plans and policies for achieving them.
  - (b) Governing Zespri including its controls, accountability, decision-making and compliance with all applicable laws, regulations, codes and accounting standards.
  - (c) Establishing performance criteria for Zespri and monitoring the performance of the Chief Executive Officer (CEO) and management against these.
  - (d) Appointing the CEO, setting the terms of the CEO's employment arrangements and, where necessary, terminating the CEO's appointment.
  - (e) Fostering a culture that operates to high ethical standards.
  - (f) Establishing Zespri's corporate risk appetite statement, ensuring that Zespri has appropriate risk management and regulatory compliance policies in place, including in relation to health and safety obligations and food safety and quality obligations and objectives, and monitoring performance against these.
  - (g) Approving Zespri's sustainability strategy, key sustainability initiatives, frameworks, targets and policies, and monitoring performance against sustainability targets.
  - (h) Monitoring performance against Zespri's innovation and research and development goals and reviewing progress against agreed metrics.
  - (i) Safeguarding the reputation of Zespri and the Zespri brand.
  - (j) Capital management, including approving external financial reporting and major capital expenditure, as well as ensuring that adequate plans and risk management process are in place to ensure adequate funding, liquidity and solvency.
  - (k) Ensuring that adequate plans and procedures are in place for succession of the Board and the CEO.
  - (l) Overseeing Zespri's relationship with the kiwifruit industry including growers, post-harvest, industry consultative and decision-making bodies, with KNZ, and with all other stakeholders.



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- 2.3 Each Director will conduct himself or herself in accordance with the Zespri Code of Conduct and the Board Code of Conduct and his or her legal duties and other obligations, which include the following:
- (a) Directors must act honestly and in good faith in what the Director believes to be the best interests of Zespri.
  - (b) Directors must carry out their duties in a lawful manner and use reasonable endeavours to ensure that Zespri carries out its business in accordance with applicable laws and with a high standard of commercial integrity.
  - (c) Directors must act in accordance with their fiduciary duties and exercise any powers for proper purposes. They should comply with the spirit as well as the letter of the law and this Charter, mindful that in addition to purely legal requirements the proper discharge of their duties as directors requires high ethical and moral standards of behaviour.
  - (d) Directors must act in a manner consistent with the company's brand, purpose, values and ethics.
  - (e) Directors must ensure that where conflicts of interest arise, these are declared and managed in accordance with legal requirements and the intent and content of this Charter, the Director Code of Conduct and Zespri's Conflict of Interest policy. Directors must excuse themselves from meetings while issues which the Board decides may present a significant conflict are discussed and decided.
  - (f) Directors will not take for themselves any opportunity discovered through the use of Zespri property, information or position, or use Zespri property, information or position for personal or related party gain.
  - (g) Directors will not give or accept gifts, entertainment, hospitality, or other personal benefits of any value, unless in accordance with the Zespri Gifts, Entertainment and Hospitality policy.
  - (h) Directors will only trade in Zespri shares in accordance with the Securities Trading policy.
  - (i) Directors will maintain and protect the confidentiality of information of or held by Zespri, except where disclosure is allowed or required by law or a relevant regulatory body or the information is otherwise in the public domain. A Director who is nominated by, or has a special allegiance to, a particular shareholder or group of shareholders or other stakeholder, should not disclose confidential information to that shareholder or stakeholder without the authority of the Board.
  - (j) Directors will act constructively and with good intent towards one another at all times.
- 2.4 Zespri's relationship with the kiwifruit industry means that Directors will represent Zespri on industry organisations such as the Industry Advisory Council, the Kiwifruit Breeding Centre and Kiwifruit Vine Health, and will otherwise participate in industry forums and discussions. When representing Zespri, Directors should state Zespri's position rather than their own.



### **3 BOARD COMPOSITION**

- 3.1 The size and composition of the Board is set out in Zespri's Constitution. The Board must have:
- (a) between six and eight directors (with the number decided by the Board); and
  - (b) three Independent Directors.
- 3.2 The "non-Independent" Directors are elected by shareholders, for specified vacancies, for a term of three years in accordance with the Constitution.
- 3.3 The Independent Directors are recommended by the Board, for election by shareholders.
- 3.4 Independent directors must not have a Disqualifying Interest (as defined in the Zespri Constitution) or other interest or relationship with Zespri that could reasonably influence, in a material way, the director's decision-making, including being a shareholder, employee or producer.
- 3.5 The Board considers the skill sets required for governance of Zespri, having regard to Zespri's strategic direction, and the regulatory and business environment. At the end of each term of an Independent Director and where there is an anticipated vacancy for an Independent Director, the Board will identify the skills and attributes desired for the Independent Director position having regard to the skills and tenure of all Directors and the Board as a whole.
- 3.6 The Board may also in accordance with the Constitution appoint a director to fill a casual vacancy. An Independent Director vacancy must be filled by an individual who satisfies the criteria to be an Independent Director as set out in the Zespri Constitution.
- 3.7 The Board follows the principle that Independent Directors may serve on the Board for two terms, with the discretion to extend this maximum where appropriate. A term ends at the annual meeting nearest to the expiry of three years from the date of the election of the Director.

### **4 CHAIR**

- 4.1 The Chair is elected by the Board annually, usually at the first meeting following the Annual Meeting.
- 4.2 The Chair's responsibilities include:
- (a) leading the Board and ensuring it is operating to the highest governance and ethical standards;
  - (b) facilitating the effective contribution of all Directors and promoting a constructive and respectful relationship between the Board and management;
  - (c) ensuring that processes and procedures are in place to evaluate the performance of the Board and individual Directors, including the Chair; and
  - (d) providing advice and mentoring to Directors and addressing any non-conformance by any Director with this Charter, the Board Code of Conduct or any associated policies and procedures.



## **5 DEPUTY CHAIR**

- 5.1 The Deputy Chair is elected by the Board annually, usually at the first meeting following the Annual Meeting.
- 5.2 The responsibilities of the Deputy Chair include:
- (a) acting as Chair in the absence of the elected Chair;
  - (b) acting as a sounding board for the Chair; and
  - (c) carrying out any other tasks requested by the Board.

## **6 BOARD MEETINGS**

- 6.1 The Board usually schedules eight meetings per year, and also holds additional meetings as required.
- 6.2 The Board has sole authority over its agenda and exercises this through the Chair. Any Director may, through the Chair, request the addition of an item to the agenda. The agenda will be set by the Chair in consultation with the CEO.
- 6.3 Written minutes of each meeting are prepared, and presented for approval at the next scheduled meeting of the Board. In addition, an official record of papers and presentations submitted to the Board are available to Directors at all times.
- 6.4 Directors will use all reasonable endeavours to prepare thoroughly for, and to attend, all Board meetings. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board. Directors unable to attend a meeting should advise the Chair as soon as possible.
- 6.5 Directors commit to the collective, group decision-making processes of the Board. Board discussions will be open and constructive, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.
- 6.6 Once decisions have been made by the Board, all Directors are expected to support the letter and spirit of those decisions outside the Board.
- 6.7 Directors will keep confidential all Board information, discussions, deliberations and decisions that are not publicly known. Directors' obligations of confidentiality continue after they have ceased to be Directors.

## **7 COMMITTEES**

- 7.1 The Board may establish committees of the Board to assist it in exercising its responsibilities.
- 7.2 Each committee will carry out the responsibilities and functions set out in its terms of reference and in the Global Corporate Delegated Authorities Manual (**DAM**).
- 7.3 The Board approves the terms of reference of each committee and the DAM.
- 7.4 The Board appoints directors to committees, having regard to the skills and expertise of the Directors and the functions of the Committee.



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#### 7.5 The Board has established:

- (a) Audit and Risk Management Committee (**ARMC**) with the primary function to review risk management strategies, internal controls and compliance processes, and financial statements;
- (b) People and Culture Committee (**PCC**), with the primary function to oversee strategic employment matters, such as organisational structure, human resources and organisational development strategies and policies;
- (c) Board Innovation Subcommittee (**BIS**), with the primary function to review and endorse Zespri's strategy for science and innovation; and
- (d) Sustainability Board Committee (**SBC**), with the primary function to assist the Board in relation to Zespri's sustainability opportunities and risks.

#### 7.6 The terms of reference for each committee will be published on Zespri's website.

### 8 ADVISORY BOARDS & WORKING GROUPS

- 8.1 The Board may establish advisory boards to provide it with strategic perspectives and insight from external experts and advisers, with each advisory board chaired by a Director.
- 8.2 The Board has established the Zespri Global Supply Advisory Board.
- 8.3 The Board may establish working groups from time to time to support management with strategic insight or specific expertise of directors in relation to particular topical issues or areas of the business.
- 8.4 The Board approves the terms of reference of each Advisory Board and Working Group.

### 9 RELATIONSHIP WITH MANAGEMENT AND DELEGATION

- 9.1 The CEO is the primary point of accountability and link between the Board and management.
- 9.2 The Board has delegated authority to the CEO (and other employees) under the DAM.
- 9.3 The CEO is accountable to the Board for the authority delegated to the CEO and other employees.
- 9.4 The primary communication between directors and staff is through (or with the knowledge of) the Chair and CEO and in relation to each Board Committees with the Executive primarily responsible for such Committee.
- 9.5 Directors may also contact the General Counsel directly in relation to legal or governance matters.

### 10 INDUCTION AND EDUCATION

- 10.1 All new Directors will undertake an induction programme to assist them in fulfilling their duties and responsibilities.
- 10.2 Management will conduct presentations and information sessions for Directors, as appropriate, to assist Directors in gaining a broader understanding and knowledge of Zespri.
- 10.3 Directors are expected to keep themselves up to date on changes and trends in the kiwifruit industry, business environment and markets in which Zespri operates, as well as general trends in the economic,



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political, social, governance and legal environment. Management will brief the Board on relevant changes in legislative, regulatory or industry frameworks.

- 10.4 Directors will be provided with formal and informal opportunities to assist their ongoing development.

## 11 BOARD PERFORMANCE EVALUATION

- 11.1 The Board will undertake regular assessments of its performance (including its performance against the requirements of this Charter), the performance of individual Committees and the performance of individual Directors.

## 12 REMUNERATION

- 12.1 The remuneration of Directors is determined in accordance with the Constitution.
- 12.2 The maximum total remuneration of Directors is the amount approved by shareholders by ordinary resolution.
- 12.3 The Board has established a Director Remuneration Committee (**DRC**) which reviews Director remuneration annually and makes recommendations to shareholders at each Annual Meeting on any proposed changes to total maximum Director remuneration.
- 12.4 The Directors are entitled to be paid their reasonable travelling, accommodation and other expenses incurred in attending meetings of the Board and otherwise in carrying out their duties as Directors.

## 13 INDEMNITY AND INSURANCE

- 13.1 Zespri has indemnified each Director to the extent permitted by law, for acts or omissions of each Director in his or her capacity as a Director of Zespri or a related company.
- 13.2 Zespri enters into a Directors and Officers liability insurance policy for the benefit of all Directors of Zespri and its related companies, for such amounts, upon such terms and at such cost that the Directors consider appropriate and fair.

## 14 INDEPENDENT ADVICE

- 14.1 A Director may obtain, at Zespri's cost, independent external professional advice relating to the discharge of his or her responsibilities as a Director, subject to the prior approval of the Chair. A copy of such advice will generally be made available to all Directors.

## 15 PUBLICATION AND REVIEW

- 15.1 This Charter will be published on Zespri's website.
- 15.2 The Charter, and terms of reference for Board Committees and Advisory Boards, will be reviewed regularly by the Board.

## 16 INCONSISTENCY WITH CONSTITUTION

- 16.1 To the extent there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.